

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT

OF

CLERK OF THE CIRCUIT COURT

LAPORTE COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED

12/07/2007

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Robert J. Behler Jr.	01-01-06 to 12-31-09
President of the County Council	Jerry Cooley	01-01-06 to 12-31-07
President of the Board of County Commissioners	Marlow Harmon Barbara Huston	01-01-06 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF LAPORTE COUNTY

We have audited the records of the Clerk of the Circuit Court for the period from January 1, 2006 to December 31, 2006, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of LaPorte County for the year 2006.

STATE BOARD OF ACCOUNTS

October 4, 2007

CLERK OF THE CIRCUIT COURT
LAPORTE COUNTY
AUDIT RESULTS AND COMMENTS

INTEREST INCOME AND SERVICE FEES

The LaPorte Clerk's office has not posted \$2,031 in depository interest and \$2,403 in service fees charged into the computer system and cash book. These items are being carried from month to month as reconciling items in their bank reconciliation. Since the interest and fees have not been posted, the income has never been quietused to the Auditor's office and posted to the general fund. The Clerk should enter the interest income and service fees into the Clerk's computer system and cash book

An official receipt must be issued for interest received to be posted in the cash book. The receipt should also indicate thereon the security (investment) on which the interest was received and, if the security matured, the principal (original cost) of the security for use as a posting media to the daily balance record. The interest should be deposited to the interest column in the receipts section of the cash book of Receipts and Disbursements. The Interest will then be paid to the county treasurer and quietused to the county general fund at the close of the month when fees are remitted to the county. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 9)

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13 and Chapter 15)

UNCLAIMED PROPERTY

The Clerk of the Circuit Court's Office has \$76,008 in trust funds that are distributable but remain unclaimed. These items are being carried in the outstanding check list as a reconciling items. The LaPorte Clerk's office has \$620 and the Michigan City Clerk's office has \$75,388 in property that has been unclaimed for a period of five years.

It is the duty of the clerk to report all property of whatsoever kind or character which remains unclaimed in the office for a period of five years unless the unclaimed money is related to child support to the Attorney General of the state. Unclaimed child support funds should not be held more than ten years. The provision of this statute covers any item of trust. [IC 32-34] (Accounting and Uniform Compliance Guideline Manual for Clerks of the Circuit Courts of Indiana, Chapter 12)

Indiana Code 32-34-1-20(c) states in part: "Property that is held, issued, or owed in the ordinary course of a holder's business is presumed abandoned if the owner or apparent owner has not communicated in writing with the holder concerning the property or has not otherwise given an indication of interest in the property during the following times: . . . (7) For property held by a state or other government, governmental subdivision or agency, or public corporation or other public authority, one (1) year after the property becomes distributable . . ."

Indiana Code 32-34-1-26(a) states in part: " A holder of property that is presumed abandoned and that is subject to custody as unclaimed property under this chapter shall report in writing to the attorney general concerning the property . . ."

Indiana Code 32-34-1-27(a) states: "Except as provided in subsections (b) (c), on the date a report is filed under section 26 of this chapter, the holder shall pay or deliver to the attorney general the property that is described in the report as unclaimed."

CLERK OF THE CIRCUIT COURT
LAPORTE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

COLLECTION OF FEES

As noted in the prior Report B29045, at times the cash bond collected was not enough to cover the assessed court costs and fines. The remainders of the fees were not collected. Also it was noted that at times the bond was released to the defendant's attorney and not put toward the fees.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guideline Manual for Clerks of the Circuit Courts of Indiana, Chapter 13)

Within seventy-five (75) days after a judgment is entered in an action, the clerk shall issue an itemized fee bill for the collection of fees that were charged against the party in that action and that remain unpaid. The clerk shall present the fee bill for collection to the sheriff of a county where the debtor party resides or where the debtor party has property.

The sheriff shall:

1. Collect the amount due under the fee bill; and
2. Return the fee bill to the clerk not more than sixty (60) days after the fee bill was issued.

After the fee bill is presented to the sheriff, it has the effect of an execution and operates as a lien upon the real and personal property of the debtor.

A successor of an officer may issue fee bills for the fees of the officer's predecessors in office in the manner provided. A clerk may issue the fee bills of the sheriff or former sheriffs of the county in the same manner. [IC 33-37-4-10] (Accounting and Uniform Compliance Guideline Manual for Clerks of the Circuit Courts of Indiana, Chapter 7)

INTERNAL CONTROLS

Officials use a Manatron computer system for recording financial transactions. In order to balance each day, officials retrieve daily batches from the computer system and compare these batches to the money received; if they agree the batches are closed. If they do not agree, corrections are determined so the batches can be closed; however batches can be left open for an indefinite period of time, or they can be deleted from the system. Any daily batches that have not been chosen for balancing are left open in the system. This is due to a deficiency in the computer system program. This deficiency allows for batches not to be included in daily balancing and the possibility of batches not ever being included in the balancing of the computer system to the daily receipts.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guideline Manual for Clerks of the Circuit Courts of Indiana, Chapter 1)

CLERK OF THE CIRCUIT COURT
LAPORTE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

CHANGE OF VENUE

As stated in prior Report B29045, the County held court for change of venue cases. These cases were not recorded in the "Change of Venue" Record. The County did not bill the other counties for the expenses incurred and paid. The judges have chosen not to issue their expenses; therefore, the claims cannot be submitted to the appropriate county for collection. This results in the county not receiving reimbursements for their expenses incurred in the change of venue cases. The judges should submit their expenses to the clerk so the clerk can complete the claim for reimbursement.

Indiana Code 34-35-5-1 states: "In all cases, civil or criminal or otherwise, where there is a change of venue from one (1) county to another, the county in which the cause, originated and from which the change of venue is taken shall pay to the county to which the change of venue is taken all expenses incurred by the county to which said change of venue is taken. . . ."

CLERK OF THE CIRCUIT COURT
LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 4, 2007, with Robert J. Behler Jr., Clerk of the Circuit Court; Betti L. Conroy, Chief Deputy Clerk; and Teresa Singleton, Bookkeeper.